

Says uncertainty is stifling investment and hurting the economy

WASHINGTON - U.S. Rep. Harry Mitchell today wrote President Barack Obama urging him to include extensions of the estate and capital gains cuts in his Fiscal Year (FY) 2011 budget. Since taking office in 2007, Mitchell has voted against each Democratic budget proposal, citing concerns of increased spending and expiration of key tax cuts.

"These cuts affect middle class families, retirees, homeowners and small businesses owners," Mitchell said. "They make our tax code more fair and predictable, as well as encourage investment. Given the unique economic difficulties we face as a nation, this is the wrong time to raise these taxes. We need to retain these tax cuts that encourage investment that stimulates growth and job creation."

Cuts to the estate tax and capital gains tax are set to expire at the end of the year. Mitchell and Rep. Mark Kirk (R-IL) introduced a bipartisan bill, H.R. 498, the Capital Gains and Estate Tax Relief Act of 2009, to make the cuts permanent.

The bill establishes a \$5 million exemption for the estate tax by 2015 and indexes it for inflation beyond that. It also eliminates the flat 55 percent tax rate and creates two lower estate tax rate brackets: 15 percent for estates valued below \$25 million, and 30 percent for estates valued above \$25 million. Additionally, it permanently reduces the capital gains tax to 15 percent.

Mitchell introduced similar bill to extend cuts to capital gains and estate taxes with Rep. Chris Shays (R-CT) in the 110th Congress. He also requested that the Fiscal Year (FY) 2010 Budget and the American Recovery and Reinvestment Act include capital gains and estate tax cut extensions.

Below is the text of Congressman Mitchell's letter to President Obama:

Dear Mr. President,

As your administration continues its work on the Fiscal Year 2011 budget, I respectfully encourage you to protect American taxpayers by making recent temporary cuts to capital gains and estate taxes permanent.

This is an increasingly important issue for middle-class families, small business owners, stockholders, and homeowners in my district and around the country. The recent tax cuts on capital gains and estates incentivize and stimulate growth, but they will expire unless Congress acts.

At a time of economic struggle, tax increases would hurt middle-class families, small businesses, stock holders, and home owners in Arizona and around the country. Instead, we should be looking at ways to keep the tax liability low for hardworking men and women in our communities who drive America's economy.

As you know, the recent cuts to capital gains and estate taxes are set to expire at the end of 2010. In conversations with constituents and small businesses in my district, it has been made clear to me that uncertainty about whether these taxes will increase is stifling investment and hurting our economy.

If we do not address this concern, it may compound the economic distress our country is experiencing.

Last year, Rep. Mark Kirk joined me in introducing H.R. 498, the Capital Gains and Estate Tax Relief Act of 2009, which would make recent cuts to capital gains and estate taxes permanent. I urge you to consider including these tax cuts in your Fiscal Year 2011 budget.

Thank you for your consideration.

Sincerely,

Harry E. Mitchell

Member of Congress